

**International Food & Agribusiness Management Association
19th Annual World Symposium
Budapest, Hungary
June 20-23, 2009**

**Entrepreneurship in agricultural micro enterprises in West Pokot District,
Kenya**

Abstract

In Kenya concerted efforts have been made to promote entrepreneurship in agricultural related MSEs over the last five years. This has resulted in entrepreneurship interventions implemented through entrepreneurship trainings, provision of credit services, grants and other related services. The main purpose of this study was to find out if and how entrepreneurship interventions have benefited (or not benefited) small scale farmers. A single case study was used to identify and describe existing entrepreneurship intervention strategies, farmers' entrepreneurial characteristics as well as their perceptions of existing entrepreneurship interventions. The findings of the study reveal that entrepreneurship training was the major intervention. The majority of the farmers viewed themselves as risk takers, exhibiting internal locus of control and possessing leadership attributes. The case study demonstrated that farmers had benefited from the entrepreneurship interventions in many diverse ways.

1. Introduction

There is a growing interest in the field of entrepreneurship worldwide (Bruyat & Julien, 2000). This renewed interest can be explained by the belief that entrepreneurship is important for the economic and social development of any given country (Hisrich, Peters, & Shepherd, 2008; Shane, 2003). In Kenya, entrepreneurship, as viewed from the perspective of the micro and small enterprises (MSEs) in the formal and informal sectors, has been instrumental in addressing numerous economic and social problems, particularly unemployment (Kanyi, 1999; Kapila, 2006). As a result of the significant contribution of the MSEs in the Kenyan economy, deliberate efforts in terms of financial, legislative and regulatory policies have been made to promote them. More recently, attention has been directed in agricultural related MSEs, since it was realized that they constitute an important economic and social category.

Similarly, poor performance of past agricultural interventions, especially on sustainability issues in many African countries, including Kenya, has recently led to the emergence of donor supported projects aimed at reorienting smallholders towards a 'business minded

approach' as well as facilitating their market accessibility (Bonaglia, 2008). These current interventions are guided by the weaknesses of the past interventions which largely concentrated on production improvement at the expense of marketing (Bonaglia, 2008). Bonaglia further contends that the promotion of entrepreneurship in rural areas of Africa has been widely acknowledged by donors and African governments as a necessary condition for poverty alleviation.

More specifically, concerted efforts have been made over the past five years by a number of donor funded projects, NGOs (e.g. Swedish Cooperative Center-Vi Agroforestry Programme (SCC-ViAFP)) and the government in the promotion of agriculture as a business in Kenya. This has resulted in a myriad of activities targeting the small scale farmers. These entrepreneurship interventions have been implemented through entrepreneurship training and the provision of credit services, grants and other related services. With respect to training, it is commonly believed that teaching farmers business skills can hasten active market participation (Bonaglia, 2008). Although these entrepreneurship interventions have widely been advanced, limited studies, if any, have examined how they have benefited smallholder farmers. This research explores entrepreneurship in Kenya from an intervention perspective, a phenomenon that has sparsely been explored.

2. Research methodology

The broad objective of this research is to find out if and how entrepreneurship promotion interventions have benefited (or vice versa) farmers in West Pokot District, Kenya (WPK).

Specific objectives include:

- (i) To identify and describe the existing entrepreneurship intervention strategies in the study area.
- (ii) To identify and describe farmers' entrepreneurial characteristics involved with agricultural microenterprises.
- (iii) To examine farmer's perceptions of current entrepreneurship intervention strategies in WPK.

The study uses case study research methodology because the focus of the research was on exploring contemporary events and the control of the case was not in the interest of the researcher (Yin, 2003). Its key unit of analysis is the nature and performance of entrepreneurship interventions in WPK since 2004 and 2007. The population of interest in this study was small scale farmers in and field officers involved with the promotion of

entrepreneurship interventions in WPK. Telephone interviews using a semi-structured interview guide developed from the literature was the main data collection method. Sixteen informants were selected for this study, ten farmers and six field officers. Three of the field officers work with SCC-ViAFP, while the rest work with the Kenya Agricultural Productivity Project (KAPP). This is in line with the suggestions of both Kwortnik Jr (2003) and Patton (2002) that qualitative studies can have smaller sample sizes of as low as a twelve people since neither statistical analysis nor generalization of research findings are the overriding concern. The identification of these participants was through the assistance of the Ministry of Agriculture extension staff as well as local administrators. Following Yin (2003), a case study protocol to guide the research was developed. Primary data was analyzed using qualitative techniques of theme identification and analysis (Miles & Huberman, 1994). Secondary data (project documents) was also used for gathering supplementary information.

SCC-ViAFP is an international NGO funded by *Vi Planterar Träd* (We Plant Trees), Swedish Cooperative Center and Swedish International Development Agency. The programme consists of three major components: agroforestry (agricultural) production, local business development and financial services. SCC-ViAFP started working in West Pokot in 1983 and currently it operates in ten Eastern and South African countries.

The KAPP is a multi-sectoral and multi-institutional project supported by the government of Kenya and the World Bank and tasked with the long term objective of increasing agricultural productivity. The programme aims at improving agricultural productivity in Kenya and the livelihood of rural farmers through the provision of demand-driven extension services (The World Bank, 2008). A total of 20 districts are taking part in the pilot phase of KAPP in Kenya.

3. Results and Discussion

3.1 Entrepreneurship education and training

There is general agreement that entrepreneurs can be developed (Garavan & O’Cinneide, 1994; Henry, Hill, & Leitch, 2007). Henry, Hill, and Leitch, 2003 state that besides awareness creation, entrepreneurship education and training serves to provide practical skills that are beneficial to entrepreneurs once they are ready to start their businesses. Going further, Hisrich and Peters (1998, as cited by Henry et al., 2005) identify technical skills,

business management skills and personal entrepreneurial skills are key areas for most entrepreneurship programmes. This study focuses on entrepreneurship education and training from a programme's perspective offered by two organizations KAPP and SCC-ViAFP.

3.2 Entrepreneurship interventions strategies

For SCC-ViAFP, entrepreneurship is defined as the adoption of sustainable market-based production by farmers through effective utilization of existing opportunities. Since 2004, SCC-ViAFP has implemented a strategy known as market based agricultural development. This strategy is implemented through Farmer Enterprise Development (FED), an enterprise driven methodology consisting of the following steps: Enterprise selection, business planning, learning groups' plans and farmer organization strategic plans. The entrepreneurship intervention strategy mainly undertaken by SCC-ViAFP is the provision of entrepreneurship skills training and the facilitation of study visits and study tours. Farmers in learning groups are trained mainly through lectures on and demonstrations of business plan development, enterprise selection, record keeping, opportunity assessment, agricultural marketing, risk management strategies, optimization of available resources, leadership skills, group dynamics, motivation and financial skills. Entrepreneurship skills training constitutes a small portion of the many activities of this organization. Other trainings include production and marketing aspects of horticulture, poultry or dairy enterprises. After such trainings, the farmers choose the projects that they are going to implement. These enterprises can either be established individually or in a group. Since 1999, SCC-ViAFP had been offering different services to small scale farmers in their project areas, which included advisory and trainings on the establishment of on-farm agroforestry, on-farm soil and water management, integrated soil fertility management practices and the promotion of farm based entrepreneurship through training and sensitization. The organization worked with the farmers for three years but it has since phased out of the study area in 2007.

KAPP, on the other hand, had the Enterprise Development Plan (EDP) as a foundation for their approach which largely focuses on production and agricultural marketing issues. Farmers involved with this programme were given relevant information on horticulture, dairy, bee keeping or poultry enterprises to enable them to make informed decisions in terms of enterprise selection. KAPP offers entrepreneurship training as a cross-cutting issue among topics such as HIV/AIDS, gender and environmental management. The trainings commenced in 2007. For KAPP, entrepreneurship skills entail equipping farmers with farming-as-

business skills which include planning, gross margin analysis, market research and bulk selling among others. Of note, these skills appeared to the researchers as not necessarily entrepreneurial in nature, but rather related to farm management and some elements of business development

Bridge, O'Neill, and Cromie (2003) have identified common entrepreneurship intervention strategies as entrepreneurship education and training, financial support (grants/loans) and business incubation among others. SCC-ViAFP and KAPP only provide education and training. Numerous studies (Bridges.org, 2002; UNCTAD, 2005) have indicated that the provision of training and education are the main entrepreneurship interventions when contrasted to the proffering of grants or credit.

3.2 Farmers' entrepreneurial characteristics

The study's biased sample comprised of six male and four female respondents. Their ages ranged from 27 years to 60 years; the majority were over 35 years old. Four of the total interviewees had "O level" secondary education, two, primary education, while the rest had not completed primary school or never went to school. This study sought an understanding on the characteristics of farmers in the study area so that their entrepreneurial levels could be determined. It was thought that this would in turn offer a rich understanding of their perceptions on how they have benefited from SCC-ViAFP entrepreneurship interventions or vice versa. In addition, there was an assumption that rich insights about the performance of the entrepreneurship intervention will be unearthed.

Literature in entrepreneurship has identified certain characteristics associated with entrepreneurs: risk taking propensity, need for achievement, internal locus of control, leadership and motivation to excel (Timmons & Spinelli, 2007). The main motivations for farmers' involvement with agricultural micro enterprises in WPK were for the attainment of food and income for family use and to pay for their children's school fees. The farmers were mainly involved with cabbages, kales, tomatoes, dairy cows and sweet potato enterprises on average land holdings of three acres.

When the farmers were asked to define an entrepreneur and whether entrepreneurship was essential for farming, seven out of ten interviewed farmers saw an entrepreneur as a person

who generally buys and sells for profits. Others saw it as way of managing some business activities. All the respondents were of the opinion that entrepreneurship was essential for farming. In view of the above, it can be concluded that profits could be used in assessing the performance of a given entrepreneurship intervention as it was found to be central for farmers in this reported research.

The findings indicated that seven out of ten farmers perceived themselves to be risk takers. An enterprise was risky when the likelihood of one incurring losses was high. As with most agricultural enterprises, a number of risks were identified by the farmers. The risks were mainly crop failure and livestock pest and diseases. Of all the enterprises undertaken by respondents, dairy farming was perceived as the most risky by five farmers because of the possibility of one losing a dairy cow through theft or death. Risk averse farmers were involved with dairy goat or rearing of indigenous cows because they were considered to be low risk enterprises.

Five of the interviewees had a high personal drive for accomplishing what they had set their minds to do. Two of the farmers expressed a deep desire for undertaking sweet potato and dairy production enterprises after discovering enormous market opportunities possessed by these enterprises. Six of the ten respondents maintained that they liked acting as role models so that other people could learn from them. Some farmers were willing to teach their colleagues new technologies, albeit sometimes at a fee. Others were freely willing to share what they had learned from the interventions with other members of the community. With regards to internal locus of control, seven farmers believed that they controlled their destinies. They said that they were certain what they had planned will be accomplished. There were those who pointed out that they were not afraid of their future, instead, they exhibited great expectations.

3.3 Benefits of the entrepreneurship interventions

Determining if and how entrepreneurship interventions have benefited farmers (or not) in WPK was the central focus of this research to enhance a rich understanding on the impact of entrepreneurship interventions in order to provide lessons for improving future interventions and studies. Arguably such outcomes can also be used as success indicators or criteria for this specific entrepreneurship programme. Consequently, the research drew heavily from the perceptions of technical officers and farmers on the outcomes of the SCC-ViAFP's and

KAPP entrepreneurship interventions in relation to farmers’ agricultural microenterprises. The perspectives of these two groups were somewhat related as summarized in Table 1.

Table 1: Perceptions of technical officers and farmers on the outcomes of SCC-ViAFP entrepreneurship interventions

Technical officers’ perception	Farmers’ perception
<ul style="list-style-type: none"> • Improved marketing of agricultural products and access of market information 	<ul style="list-style-type: none"> • Improved marketing skills
<ul style="list-style-type: none"> • Enhanced entrepreneurship skills 	<ul style="list-style-type: none"> • Effective running of enterprises and improvement in record keeping skills
<ul style="list-style-type: none"> • Increase in income generating activities 	<ul style="list-style-type: none"> • Improved income
<ul style="list-style-type: none"> • Access to funds and improvement in credit worthiness 	<ul style="list-style-type: none"> • Uptake and implementation of new enterprises
<ul style="list-style-type: none"> • Increased production 	<ul style="list-style-type: none"> • Changes in attitudes
	<ul style="list-style-type: none"> • Enhanced value addition activities

3.4 Challenges

Although the examination of challenges was not a main focus for this research report, three major challenges were, all the same, identified; namely, inadequate capital, poor infrastructure and marketing problems. It was reported that inadequate capital constrained the growth and development of agricultural microenterprises. Poor infrastructure and high transportation costs resulted in farmers incurring losses or reductions in their profits. Further, marketing challenges also led to incurred losses.

These challenges provide significant lessons that can be used in improving future interventions. Importantly, although inadequate capital may limit the implementation of new activities, entrepreneurship interventions can have long lasting effects if farmers are trained and encouraged to start with their own limited resources. Alternatively, experienced farmers and/or entrepreneurs should be provided with loans to further grow and develop their enterprises. Relevant policy framework should also be adopted by the government in order to address the problem of poor infrastructure

5 Conclusions and Implications

The research reveals that entrepreneurship training was the major entrepreneurship intervention in the West Pokot district. Both SCC-ViAFP and KAPP were involved with offering entrepreneurship training. The farmers were motivated by the attainment of food and income for family use and payment of school fees. With regard to entrepreneurial attitude and behaviours, the majority of the respondents viewed themselves as risk takers and exhibited an internal locus of control. Also, half of the interviewees claimed that they possessed a high need for achievement. Further, some of the farmers claimed leadership attributes. Many of the farmers understood an entrepreneur to be a person who buys and sells for profits. There was also agreement among respondents that entrepreneurship was essential for farming.

The case study demonstrated that farmers had benefited from the entrepreneurship interventions in many diverse ways. Improvement in marketing skills, record keeping and income; effective running of enterprises; uptake and implementation of new enterprises; changes in attitudes; and enhanced value addition are the outcomes of the interventions as perceived by the farmers.

Generally the findings of this study suggest that the entrepreneurship interventions could have assisted in moving farmers along the continuum towards becoming entrepreneurs. Using risk taking, level of contentment with their current enterprises, internal locus of control, this study categorizes six out of the ten farmers as agricultural entrepreneurs. The above conclusion is reinforced by the fact that the majority of the farmers possessed what the literature suggests as key features of 'conventional' entrepreneurs. However, it is important to note that the outcome of entrepreneurship interventions identified by the current study could not have necessarily all have been as a result of interventions. Difference in farmers' individual characteristics could also have come into play.

The policy implications for governments and NGOs is that entrepreneurship training can have positive results for farmers. Therefore there is a need for an intensification of entrepreneurship programmes, particularly in the agricultural sector. In addition, the study provides implications for research in entrepreneurship, distinctively in entrepreneurship interventions in developing countries. A number of limitations were identified by this research. Resource constraints and time limitations hindered the researcher from conducting

the actual field visit. Sixteen respondents selected from a limited geographical coverage did not allow for generalization. Further, views from all cadres of staff were not able to be explored. Also, the promotion of farm entrepreneurship has been in existence for less than five years. Simply put, it is too early to make definitive conclusions on the impact of entrepreneurship interventions on agricultural MSEs in Kenya. Future research possibilities include increasing the sample size and geographical coverage for generalization purposes as well as undertaking a longitudinal study to assess the full effects of entrepreneurship interventions.

6. References

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